

AGENDA ITEM 8B
ACTION ITEM

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: OCTOBER 19, 2007

RE: AUTHORIZATION TO SELL FOUR BUDD CARS

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to sell four Budd cars to the Collis P. Huntington Railroad Historical Society, Inc. of Huntington, West Virginia, for \$1 per car.

BACKGROUND:

In March of 2007, the Operations Board granted the CEO authority to sell up to 25 railcars, including the Budds, in anticipation of the new railcar delivery beginning this December. Since that time, the equipment was posted on VRE's web site for public sale and staff received a proposal from the Collis P. Huntington Railroad Historical Society, Inc. of Huntington, West Virginia, to purchase four Budd cars (car numbers 501, 502, 503, and 504) for \$1 each.

VRE staff recommend execution of this sales agreement as no other offers have been received and the disposition cost of the cars is higher than this proposal. The sales agreement requires the buyer to deposit freight costs into an escrow account to ensure removal of all cars. There is no federal, state, or local interest remaining in these cars.

FISCAL IMPACT:

This additional revenue will be allocated to the restoration of the operating reserve as required by the bond indenture.

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD
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**RESOLUTION
8B-10-2007
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD**

WHEREAS, in March 2007, the Operations Board granted authority to sell up to 25 railcars, including the Budd cars, in anticipation of the new railcar delivery beginning this December; and,

WHEREAS, VRE received an offer to purchase Budd cars 501, 502, 503 and 504 for \$1 each; and,

WHEREAS, VRE staff have determined that this offer is acceptable.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board recommends that the Commissions authorize the Chief Executive Officer to sell four Budd cars, numbers 501, 502, 503, and 504 to the Collis P. Huntington Railroad Historical Society, Inc. for \$1.00 each.